




City of Dublin

Office of the City Manager

5200 Emerald Parkway • Dublin, OH 43017-1090

Phone: 614-410-4400 • Fax: 614-410-4490

Memo

To: Members of Dublin City Council
From: Dana L. McDaniel, City Manager 
Date: October 30, 2018
Initiated By: Colleen Gilger, Economic Development Director
Re: Ordinance 73-18 - Economic Development Agreement with Ohio Health

Background

In 2005, the City of Dublin provided incentives for the attraction of OhioHealth's Revenue Cycle Office consisting of 300+/- full time employees. Since the execution of that Economic Development Agreement, OhioHealth has grown exponentially, both in Dublin and the Columbus Region.

Not only did the organization locate the 300+/- office-related jobs, but it has constructed and operates Dublin Methodist Hospital (currently under expansion) and has added hundreds of jobs, both in the patient-care and non-clinical sides of its business. Between 2008 and 2018, OhioHealth increased the number of jobs in Dublin from roughly 900 employees to more than 1,700. The company is now the second largest employer in the City of Dublin.

Economic Development staff has been in discussions with OhioHealth regarding the future of its non-clinical jobs in Dublin, as multiple office lease terms are ending in the next 12 to 24 months. The company is hopeful in planning a consolidation of multiple leases and office uses into one location, and OhioHealth would prefer to own a building. Jointly, we have identified a location that meets OhioHealth's future growth needs.

Revisions since First Reading on October 22, 2018

Some terms in the Economic Development Agreement (EDA) have been modified since the introduction of this Ordinance on October 22, 2018. The changes are outlined below, and are reflected in the attached redlined Economic Development Agreement.

- Because the facility selected will need time to be renovated during a significant portion of 2019, the job and payroll growth figures have been extended from all occurring in 2019 to instead occurring gradually from 2020 through 2024.
- The original EDA proposal included an 11-year Performance Incentive (2019-2029) on a sliding scale from 20% to 17% over time, capped annually at \$400,000. This has been updated. The sliding scale now more broadly ranges from 20% to 15% over the term. The annual cap payments were reduced in Years 1-4 to \$375,000, and remain at \$400,000 for Years 5-11. The company would still be required to reach non-clinical job payroll growth targets annually to receive these payments.

- Additionally, the City proposes a one-time \$600,000 Retention Grant tied to the acquisition of a minimum 100,000-square-foot facility in Dublin and receiving occupancy in 2019. This amount did not change.
- The proposed \$50,000 Technology Grant has been removed. Ohio Health will pay the costs to connect the new facility into the Dublink network.
- The originally proposed package representing \$5.05 million has been renegotiated to \$4.9 million.

Recommendation

Staff recommends approval of Ordinance 73-18 including the revised version of the EDA agreement at the second reading/public hearing on November 5, 2018. The anticipated growth of the OhioHealth network within and outside of Dublin will likely have a positive influence on the continued growth of its non-clinical support operations located within Dublin. Please contact Colleen Gilger with any questions.



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Memo

To: Members of Dublin City Council
From: Dana L. McDaniel, City Manager */DMC/ dm*
Date: October 15, 2018
Initiated By: Colleen Gilger, Economic Development Director
Re: Ordinance 73-18 - Economic Development Agreement with OhioHealth

Background

In 2005, the City of Dublin provided incentives for the attraction of OhioHealth's Revenue Cycle Office consisting of 300+/- full time employees. Since the execution of that Economic Development Agreement, OhioHealth has grown exponentially, both in Dublin and the Columbus Region.

Not only did the organization locate the 300+/- office-related jobs, but it has constructed and operates Dublin Methodist Hospital (currently under expansion) and has added hundreds of jobs, both in the patient-care and non-clinical sides of its business. Between 2008 and 2018, OhioHealth increased the number of jobs in Dublin from roughly 900 employees to more than 1700. The company is now the second largest employer in the City of Dublin.

Economic Development staff has been in discussions with OhioHealth regarding the future of its non-clinical jobs in Dublin, as multiple office lease terms are ending in the next 12 to 24 months. The company is hopeful in planning a consolidation of multiple leases and office uses into one location, and OhioHealth would prefer to own a building. Jointly, we have identified a location that meets OhioHealth's future growth needs.

The Economic Development Agreement proposed by the City of Dublin includes an 11-year Performance Incentive (2019-2029) on a sliding scale from 20% to 17% over time, capped annually at \$400,000. The company would be required to reach non-clinical job payroll growth targets annually to receive these payments. Additionally, the City proposes a one-time \$600,000 Retention Grant tied to the acquisition of a minimum 100,000-square-foot facility in Dublin and receiving occupancy in 2019, and in order to assist the company in connecting a new location to Dublin, the City proposes a \$50,000 Technology Grant to assist in their IT renovations and buildout.

The total package offered represents \$5.05 million. The City expects to net approximately \$17.8 million over the term.

Recommendation

Staff recommends approval of Ordinance 73-18 at the second reading/public hearing at the November 5, 2018 City Council meeting. The anticipated growth of the OhioHealth network within and outside of Dublin will likely have a positive influence on the continued growth of its non-clinical support operations located within Dublin. Please contact Colleen Gilger with any questions.

RECORD OF ORDINANCES

Ordinance No. 73-18

Passed _____, 20____

AN ORDINANCE AUTHORIZING THE PROVISION OF CERTAIN INCENTIVES TO OHIOHEALTH CORPORATION TO INDUCE IT TO LEASE OR PURCHASE A FACILITY TO RETAIN AND EXPAND ITS NON-CLINICAL OFFICE AND ITS ASSOCIATED NON-CLINICAL OPERATIONS AND WORKFORCE, ALL WITHIN THE CITY, AND AUTHORIZING THE EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT.

WHEREAS, consistent with its Economic Development Strategy (the "*Strategy*") approved by Dublin City Council Resolution No. 07-94 adopted on June 20, 1994, and the updated Strategy approved by Dublin City Council Resolution No. 30-04 adopted on July 6, 2004, the City desires to encourage commercial office development and create and preserve jobs and employment opportunities within the City; and

WHEREAS, OhioHealth Corporation (the "*Company*") recently performed a comprehensive examination of its workforce needs, and based on the results of this examination, and induced by and in reliance on the economic development incentives provided in the proposed Economic Development Agreement (as described below), the Company is desirous of leasing or purchasing a facility to retain and expand its non-clinical office and its associated non-clinical operations and workforce, all within the City, in order to achieve the payroll withholding targets set forth in the Economic Development Agreement; and

WHEREAS, this Council has determined that it is necessary and appropriate and in the best interests of the City to provide for certain economic development incentives to the Company, as described in the proposed Economic Development Agreement; and

WHEREAS, this Council has determined to offer the economic development incentives, the terms of which are set forth in a substantially final form of Economic Development Agreement presently on file in the office of the Clerk of Council, to induce the Company to lease or purchase a facility to retain and expand its non-clinical office and its associated non-clinical operations and workforce, all within the City, which will result in the retention of existing and creation of new jobs and employment opportunities, thereby improving the economic welfare of the people of the State of Ohio and the City, all as authorized in Article VIII, Section 13 of the Ohio Constitution;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Dublin, State of Ohio, _____ of the elected members concurring, that:

Section 1. The Economic Development Agreement by and between the City and the Company, in the form presently on file with the Clerk of Council, providing for, among other things, the provision of certain economic development incentives in consideration for the Company's agreement to lease or purchase a facility for the retention and expansion of its non-clinical office and its associated non-clinical operations and workforce, all within the City, which will result in the retention of existing and creation of new jobs and employment opportunities, is hereby approved and authorized with changes therein not inconsistent with this Ordinance and not substantially adverse to this City and which shall be approved by the City Manager. The City Manager, for and in the name of this City, is hereby authorized to execute that Economic Development Agreement, provided further that the approval of changes thereto by that official, and their character as not being substantially adverse to the City, shall be evidenced conclusively by the execution thereof. This Council further authorizes the City Manager, for and in the name of the City, to execute any amendments to the Economic Development Agreement, which amendments are not inconsistent with this Ordinance and not substantially adverse to this City.

Section 2. This Council further hereby authorizes and directs the City Manager, the Director of Law, the Director of Finance, the Clerk of Council, or other appropriate officers of the City to prepare and sign all agreements and instruments and to take any other actions as may be appropriate to implement this Ordinance.

RECORD OF ORDINANCES

Ordinance No. 73-18

Passed Page 2 of 2, 20

Section 3. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Ordinance were taken in open meetings of this Council or committees, and that all deliberations of this Council and any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law including Section 121.22 of the Revised Code.

Section 4. This Ordinance shall be in full force and effect on the earliest date permitted by law.

Signed:

Mayor - Presiding Officer

Attest:

Clerk of Council

Passed: _____, 2018

Effective: _____, 2018

ECONOMIC DEVELOPMENT AGREEMENT

THIS ECONOMIC DEVELOPMENT AGREEMENT (the “*Agreement*”) is made and entered into this _____ day of _____, 2018 (the “*Effective Date*”), by and between the CITY OF DUBLIN, OHIO (the “*City*”), a municipal corporation duly organized and validly existing under the Constitution and the laws of the State of Ohio (the “*State*”) and its Charter, and OHIOHEALTH CORPORATION, an Ohio nonprofit corporation (the “*Company*” and together with the City, the “*Parties*”), under the circumstances summarized in the following recitals.

RECITALS:

WHEREAS, consistent with its Economic Development Strategy (the “*Strategy*”) approved by Dublin City Council Resolution No. 07-94 adopted on June 20, 1994, and the updated Strategy approved by Dublin City Council Resolution No. 30-04 adopted on July 6, 2004, the City desires to encourage commercial office development and create and preserve jobs and employment opportunities within the City; and

WHEREAS, based on the results of the Company’s recent comprehensive examination of workforce needs, and induced by and in reliance on the economic development incentives provided in this Agreement, the Company desires to either lease or purchase a facility to retain and expand its non-clinical office and its associated non-clinical operations and workforce, all within the City; and

WHEREAS, pursuant to Ordinance No. ___-18 passed on _____, 2018 (the “*Ordinance*”), the City has determined to offer the economic development incentives described herein to induce the Company to lease or purchase a facility for the retention and expansion of the Company’s non-clinical office and its associated non-clinical operations and workforce, all within the City, which will result in the retention of existing and creation of new jobs and employment opportunities to improve the economic welfare of the people of the State of Ohio and the City, all as authorized in Article VIII, Section 13 of the Ohio Constitution; and

WHEREAS, the City and the Company have determined to enter into this Agreement to provide these incentives in order to induce the Company to lease or purchase a facility to retain and expand its non-clinical office and its associated non-clinical operations and workforce, all within the City;

NOW THEREFORE, in consideration of the foregoing, the promises contained herein, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the City and the Company covenant, agree and obligate themselves as follows:

Section 1. Company’s Agreement to Lease or Purchase a Facility to Retain and Expand its Non-Clinical Office and its Associated Non-Clinical Operations and Workforce Within the City.

(a) In consideration for the economic development incentives to be provided by the City herein, the Company agrees that it will lease or purchase a Facility (as defined in subsection 1(b)) within the City to retain and expand its non-clinical office and its associated non-clinical operations and workforce, all within the City, all consistent with the terms of this Agreement. The Company

expects to retain approximately One Thousand Three Hundred Seven (1,307) existing, Non-Clinical Employee positions within the City. The Company also expects to create Two Hundred (200) new, Non-Clinical Employee positions within the City by December 31, 2024. The total estimated payroll withholdings for the retained and new employee positions is estimated to be Twenty-Two Million Seven Hundred Thousand Dollars (\$22,700,000) over the term of this Agreement.

(b) For purposes of this Agreement, the “*Facility*” shall (i) be a building located within the City, (ii) include at least 100,000 square feet of usable space, (iii) be the situs of employment for Non-Clinical Employees of the Company and (iv) be the subject facility of either the Lease Agreement or the Purchase Agreement (as each is defined below). For purposes of this Agreement, a “*Non-Clinical Employee*” shall be an individual who is employed by the Company or its subsidiaries or affiliates and has no responsibility for the direct treatment of patients or the direct provision of patient care.

(c) The Company agrees that the City’s obligations to remit payments pursuant to Section 2 of this Agreement shall be contingent upon (i) no later than 5:00 p.m. (ET) on Wednesday, January 2, 2019 the Company shall have delivered to the City either a photocopy of (A) a fully executed agreement evidencing the Company’s lease of a Facility for a minimum term of Fifteen (15) years which shall also include an option to purchase a minimum 100,000 usable square-foot facility within the City prior to July 1, 2024 (the “*Lease Agreement*”) or (B) such documentation which reasonably demonstrates to the City that the Company has purchased the Facility (the “*Purchase Agreement*”), which in either case will accommodate the retention and expansion of the Company’s non-clinical associated operations and workforce, (ii) the Company assuming occupancy of the Facility no later than December 31, 2019 and (iii) such other conditions as are set forth in Section 2; *provided, however,* and notwithstanding any provision herein to the contrary, if the Company shall, after having acted in good faith, fail to execute deliver either the Lease Agreement or the Purchase Agreement within the period set forth in this subsection and subsection 5(s)(i), (iv) this Agreement will terminate without such failure constituting a breach by the Company, (v) the City’s obligation to remit the Retention Incentive Payment, any Annual Incentive Payments or any Bonus Annual Incentive Payments will be terminated and (vi) the Company will owe no penalties to the City as a result of such failure.

Section 2. City’s Agreement to Provide Incentives.

(a) General. In consideration for the Company’s agreement to lease or purchase the Facility and retain and expand its non-clinical associated operations and workforce, and to retain existing and create new jobs and employment opportunities, all within the City, the City agrees to provide economic development incentives to the Company in accordance with this Section.

(b) Retention Incentive.

(i) Retention Incentive Payment to the Company. The Company agrees to lease or purchase the Facility and to retain and expand its non-clinical office and its associated non-clinical operations and workforce, all within the City. In consideration of the Company’s agreement to lease or purchase the Facility and to retain and expand that non-clinical office and retain and create employment opportunities within the City, and subject to the Company’s

compliance with the requirements set forth in subsection 2(d), the City agrees to provide to the Company a retention incentive payment (the “*Retention Incentive Payment*”) in the amount of Six Hundred Thousand and 00/100 Dollars (\$600,000.00), payable to the Company no later than thirty (30) days following the occurrence of (A) the Company’s satisfaction of the requirement in either subsection 1(c)(i)(A) or subsection 1(c)(i)(B) and (B) the Company’s satisfaction of the requirement in subsection 1(c)(ii).

(ii) Forfeiture of Right to Receive Retention Incentive Payment. The Company agrees and acknowledges that the Retention Incentive Payment provided for in subsection 2(b)(i) is being made by the City to the Company in consideration for the Company’s agreement to lease or purchase the Facility and retain and expand its non-clinical office and its associated non-clinical operations and workforce, and to retain and create employment opportunities, all within the City. The Company further agrees that if the requirements of subsection 2(b)(i) are not satisfied, the City shall not be obligated to remit the Retention Incentive Payment to the Company as required by this subsection 2(b).

(c) Workforce Creation Incentive.

(i) Calculation of Actual Payroll Withholding Taxes. On or before March 15 of each of the years 2020 through 2025, and provided the requirements of subsection 2(c)(vii) are satisfied, also on or before March 15 of each of the years 2026 through 2030, the City shall calculate the actual payroll withholding taxes collected and received during the then preceding calendar year and in respect of that preceding calendar year by the City from all Employees (as defined below). For purposes of that calculation, the Company acknowledges and agrees that the total amount of actual payroll withholding taxes in respect of any calendar year shall be determined based solely upon the amount of payroll withholding tax payments actually received by the City from the Company during that calendar year. The Company further acknowledges and agrees that any amount received by the City in respect of any calendar year, but following the conclusion of that calendar year, will not be considered in the total amount of actual payroll withholding taxes for that calendar year. The City reserves in its sole discretion the right to waive this limitation.

(ii) Employees. For purposes of this Section 2, “*Employees*” shall include only those Non-Clinical Employees (as defined in subsection 1(b)) of the Company whose situs of employment is at (A) the Facility or (B) any other facility located within the City.

(iii) Information Relating to Employees. The Company agrees that, in accordance with the City’s codified ordinances, as may hereafter be amended from time to time (the “*Dublin City Code*”), the annual payroll reconciliation and related W-2 forms relating to its Employees will be provided to the City prior to February 28 of each calendar year.

(iv) Employer Identification Number. The Company’s Federal Employer Identification Number is _____. The Company agrees that if the Federal Employer Identification Number changes at any time during the term of this Agreement, the Company will notify the City of such change, including the new Federal Employer Identification Number, within thirty (30) days of the occurrence of such change.

(v) Annual Incentive Payments to the Company. Subject to the Company’s compliance with the requirements set forth in subsection 2(d), if the actual payroll withholding taxes collected and received by the City pursuant to subsection 2(c)(i) during the then preceding calendar year and in respect of that preceding calendar year from all Employees, net of refunds (such amount being referred to as the “*Actual Withholdings*”), equal or exceed the Target Withholdings (as defined in subsection 2(c)(vi)) for that preceding calendar year, the City shall, on or before April 15 of the then current calendar year, pay to the Company, solely from nontax revenues (as defined in subsection 2(f)), an amount equal to the product of (A) the Actual Withholdings for that preceding calendar year multiplied by (B) the Incentive Factor for that calendar year (as defined in subsection 2(c)(vi)) (with each such product being referred to as an “*Annual Incentive Payment*”); *provided, however*, that (1) the City shall not be required pursuant to this subsection 2(c) to remit an Annual Incentive Payment to the Company in excess of the Annual Cap (as defined in subsection 2(c)(vi)) in any calendar year, and (2) the aggregate amount of all Annual Incentive Payments remitted pursuant to this subsection 2(c) by the City to the Company shall not exceed Two Million ~~Three~~Four Hundred Thousand and 00/100 Dollars (~~\$2,300,000~~\$2,400,000), and if the requirements of subsection 2(c)(vii) are satisfied, the sum of all Annual Incentive Payments and Bonus Annual Incentive Payments remitted pursuant to this subsection 2(c) by the City to the Company shall not exceed Four Million ~~Three~~Four Hundred Thousand and 00/100 Dollars (~~\$4,300,000~~\$4,400,000).

(vi) Target Withholdings, Incentive Factor and Annual Cap. The Target Withholdings, Incentive Factor and Annual Cap for each of the calendar years 2019 through 2029 shall be as follows:

<u>Calendar Year</u>	<u>Target Withholdings</u>	<u>Incentive Factor</u>	<u>Annual Cap</u>
2019	\$1,865,568 <u>1,617,568</u>	20%	\$400 <u>375</u> ,000
2020	1,902,879 <u>1,719,919</u>	20	400 <u>375</u> ,000
2021	1,940,937 <u>1,824,318</u>	19 <u>20</u>	400 <u>375</u> ,000
2022	1,979,755 <u>1,939,804</u>	19 <u>20</u>	400 <u>375</u> ,000
2023	2,019,351 <u>2,039,420</u>	18 <u>19</u>	400,000
2024	2,059,738 <u>2,080,208</u>	18 <u>19</u>	400,000
2025 ⁽¹⁾	2,100,932 <u>2,121,813</u>	18 <u>19</u>	400,000
2026 ⁽¹⁾	2,142,951 <u>2,164,249</u>	17 <u>18</u>	400,000
2027 ⁽¹⁾	2,185,810 <u>2,207,534</u>	17	400,000
2028 ⁽¹⁾	2,229,526 <u>2,251,684</u>	16 <u>17</u>	400,000
2029 ⁽¹⁾	2,274,117 <u>2,296,718</u>	15 <u>17</u>	400,000

⁽¹⁾ Payments in respect of calendar years 2025 through 2029 are also subject to subsection 2(c)(vii).

(vii) Bonus Annual Incentive Payments to the Company. The City agrees that if the Company provides to the City on or before July 1, 2024 such documentation which reasonably demonstrates to the City that the Company has purchased the Facility or another facility that meets the requirements of the Facility as set forth in subsection 1(b), then the Company shall be eligible to receive an Annual Incentive Payment (each a “*Bonus Annual Incentive Payment*”) in respect of each of the calendar years 2025 through 2029 which will

be calculated at the same time and in the same manner as described in subsection 2(c)(v) and paid in accordance with this Section 2; *provided* that each Bonus Annual Incentive Payment shall be subject to an Annual Cap (as defined in subsection 2(c)(vi)) in each such calendar year.

(viii) Forfeiture of Right to Receive Annual Incentive Payments and Bonus Annual Incentive Payments. The Company agrees and acknowledges that the Annual Incentive Payments and the Bonus Annual Incentive Payments provided for in subsection 2(c) are being made by the City to the Company in consideration for the Company's agreement to lease or purchase the Facility and retain and expand its non-clinical associated operations and workforce, and to retain existing and create new jobs and employment opportunities, all within the City. The Company further agrees that if the Target Withholdings requirement is not met for any given calendar year as set forth in subsection 2(c)(vi), the City shall not be obligated to make an Annual Incentive Payment or Bonus Annual Incentive Payments (as the case may be) to the Company for the calendar year in respect of which the Target Withholdings requirement was not satisfied. Failure to satisfy the Target Withholdings requirement in respect of any one calendar year does not prohibit the Company from receiving an Annual Incentive Payment or Bonus Annual Incentive Payments (as the case may be) for any subsequent calendar year in respect of which the Target Withholdings requirement is satisfied.

(d) Filing of Municipal Income Tax Returns and Remission of Related Taxes.

(i) The Company agrees that it shall timely (A) file directly with the City all municipal income tax returns and (B) remit directly to the City all municipal income tax payments, each as required by the Dublin City Code. While Ohio law currently permits the Company to file its municipal income tax returns and remit its municipal income tax payments directly through the Ohio Business Gateway, the Company acknowledges that if in respect of any of the tax years 2019 through 2024 (inclusive), and if the requirements of subsection 2(c)(vii) are satisfied, in respect of any of the tax years 2025 through 2029 (inclusive), the Company either (C) files a related municipal income tax return or (D) remits a related municipal income tax payment, in either case directly with the Ohio Business Gateway instead of the City, then notwithstanding subsection 2(d)(ii), the Company shall forfeit its right to receive and the City shall not be obligated to remit any payment which the City might otherwise be required to pay pursuant to subsections 2(b)(i), 2(c)(v) or 2(c)(vii) (each applicable payment being referred to as a "*Required Payment*") in respect of that tax year.

(ii) Not earlier than fifteen (15) days preceding the date on which the City is required to make a Required Payment to the Company, the City shall determine whether the Company is in full compliance with its obligation to remit municipal income taxes to the City pursuant to the Dublin City Code. If the City reasonably determines that the Company is not in full compliance, the City shall not be obligated to make the Required Payment on the required payment date and will promptly provide written notification of such determination to the Company. If within sixty (60) days following the date of the City's written notification the City receives a payment from the Company which the City reasonably determines will cause the Company to be in full compliance with its municipal income tax obligations

pursuant to the Dublin City Code (including any applicable interest and penalties), the City will within fifteen (15) days of receipt of such payment remit to the Company the Required Payment. If, however, the Company fails to timely remit sufficient payment to the City in accordance with the preceding sentence, the City may in its sole discretion determine that the City's obligation to remit such Required Payment is voided and that such Required Payment will not be made, and will promptly provide written notification to the Company of such determination.

(e) Method of Payment. The payments to be paid to the Company as provided in this Section 2 shall be made by the City to the Company by electronic funds transfer or by such other manner as is mutually agreed to by the City and the Company.

(f) City's Obligation to Make Payments Not Debt; Payments Limited to Nontax Revenues. Notwithstanding anything to the contrary herein, the obligations of the City pursuant to this Agreement shall not be a general obligation debt or bonded indebtedness, or a pledge of the general credit or taxes levied by the City, and the Company shall have no right to have excises or taxes levied by the City, the State or any other political subdivision of the State for the performance of any obligations of the City herein. Consistent with Section 13 of Article VIII, Ohio Constitution, any payments or advances required to be made by the City pursuant to this Section 2 shall be payable solely from the City's nontax revenues and on a subordinated basis to the payment of debt service charges as may hereafter be payable on securities of the City which are payable from the City's nontax revenues. Further, since Ohio law limits the City to appropriating monies for such expenditures only on an annual basis, the obligation of the City to make payments pursuant to this Section 2 shall be subject to annual appropriations by the City Council and certification by the Director of Finance of the City as to the availability of such nontax revenues. For purpose of this Agreement, "*nontax revenues*" shall mean, all moneys of the City which are not moneys raised by taxation, to the extent available for such purposes, including, but not limited to the following: (i) grants from the United States of America and the State; (ii) payments in lieu of taxes now or hereafter authorized to be used for the purposes by State statute; (iii) fines and forfeitures which are deposited in the City's General Fund; (iv) fees deposited in the City's General Fund from properly imposed licenses and permits; (v) investment earnings on the City's General Fund and which are credited to the City's General Fund; (vi) investment earnings of other funds of the City that are credited to the City's General Fund; (vii) proceeds from the sale of assets which are deposited in the City's General Fund; (viii) rental income which is deposited in the City's General Fund; and (ix) gifts and donations.

Section 3. Access to Dublinlink. The City and the Company heretofore entered into an Indefeasible Right to Use, dated October 24th _____, 2005 (the "2005 IRU") which generally provided to the Company exclusive access to four (4) optical fibers through the City's Dublinlink system. The City and the Company heretofore entered into an addendum to the Indefeasible Right to Use, dated October 24, 2014, which generally provided to the Company exclusive access to two (2) additional optical fibers through the City's Dublinlink system. The City hereby agrees to continue to provide to the Company exclusive access to six (6) optical fibers through the City's Dublinlink system. ~~Furthermore, to facilitate the Company's access to Dublinlink at the Facility, the City agrees that it will cause to be constructed two redundant, diverse lateral connections between Dublinlink and the Facility. The City will pay the actual costs of extending that fiber lateral connection; provided that~~

~~any costs related thereto in excess of Fifty Thousand Dollars (\$50,000) shall be paid by the Company within thirty (30) days following written notification from the City, which notification the City will provide promptly following completion of the construction of the lateral extension.~~ The City agrees that the Company shall continue to have exclusive access to those six (6) optical fibers until the earlier of (a) January 1, 2034 or (b) the date on which the City reasonably determines that (i) the Facility is no longer occupied primarily by Non-Clinical Employees of the Company as described in the Agreement or (ii) the Company's Actual Withholdings of Non-Clinical Employees in respect of any calendar year are less than the Target Withholdings for that same calendar year, as outlined in Section 2(b)(vi).

Section 4. Existing Economic Development Agreement. This City and the Company heretofore entered into an Economic Development Agreement, dated August 15, 2005 (the "2005 Agreement") which generally provided that the City would (a) remit certain income tax withholdings based incentive payments to the Company and (b) provide the Company with exclusive access to four (4) of the City's optical fibers through the Dublink system. The City and the Company agree that the Company shall, to the extent that it complies with the applicable provisions of the 2005 Agreement, be entitled to receive an incentive payment in respect of calendar year 2018 (in accordance with Section 2(d) of the 2005 Agreement). The City and the Company further agree that except for the respective obligations and rights of the City and the Company relative to the payment described in the preceding sentence, the 2005 Agreement is hereby superseded by this Agreement and will be of no further force and effect following the Effective Date.

Section 5. Miscellaneous.

(a) Assignment. This Agreement may not be assigned without the prior written consent of all non-assigning Parties.

(b) Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

(c) Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

(d) Day for Performance. Wherever herein there is a day or time period established for performance and such day or the expiration of such time period is a Saturday, Sunday or legal holiday, then such time for performance shall be automatically extended to the next business day.

(e) Economic Development Assistance Certification. The Company has made no false statements to the City in the process of obtaining approval of the incentives described in this Agreement. If any representative of the Company has knowingly made a false statement to the City to obtain the incentives described in this Agreement, the Company shall be required to immediately return all benefits received under this Agreement pursuant Ohio Revised Code Section 9.66(C)(2) and shall be ineligible for any future economic development assistance from the State, any State agency or a political subdivision pursuant to Ohio Revised Code Section 9.66(C)(1). The Company acknowledges that any person who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree, pursuant to Ohio Revised

Code Section 2921.13(F)(1), which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months

(f) Entire Agreement. This Agreement constitutes the entire Agreement between the Parties on the subject matter hereof and supersedes all prior negotiations, agreements (including the 2005 Agreement in the manner provided in Section 4) and understandings, both written and oral, between the Parties with respect to such subject matter. This Agreement may not be amended, waived or discharged except in an instrument in writing executed by the Parties.

(g) Events of Default and Remedies. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, or any of its terms or conditions, by any Party hereto, such defaulting Party shall, upon written notice from any non-defaulting Party, proceed immediately to cure or remedy such default or breach, and, in any event, within thirty (30) days after receipt of such notice. In the event such default or breach is of such nature that it cannot be cured or remedied within said thirty (30) day period, then in such event the defaulting Party shall upon written notice from any non-defaulting Party commence its actions to cure or remedy said breach within said thirty (30) day period, and proceed diligently thereafter to cure or remedy said breach. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved non-defaulting Party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach.

(h) Executed Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to constitute an original, but all of which together shall constitute but one and the same instrument. It shall not be necessary in proving this Agreement to produce or account for more than one of those counterparts.

(i) Extent of Covenants; No Personal Liability. All covenants, obligations and agreements of the Parties contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future member, officer, agent or employee of the City or the Company other than in his or her official capacity, and neither the members of the legislative body of the City nor any City or Company official executing this Agreement shall be liable personally under this Agreement or be subject to any personal liability or accountability by reason of the execution thereof or by reason of the covenants, obligations or agreements of the City and the Company contained in this Agreement.

(j) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio without regard to its principles of conflicts of laws. All claims, counterclaims, disputes and other matters in question between the City, its agents and employees, and the Company, its employees and agents, arising out of or relating to this Agreement or its breach will be decided in a court of competent jurisdiction within Franklin County, Ohio.

(k) Legal Authority. The Parties respectively represent and covenant that each is legally empowered to execute, deliver and perform this Agreement and to enter into and carry out the transactions contemplated by this Agreement. The Parties further respectively represent and covenant that this Agreement has, by proper action, been duly authorized, executed and delivered by the Parties

and all steps necessary to be taken by the Parties have been taken to constitute this Agreement, and the covenants and agreements of the Parties contemplated herein, as a valid and binding obligation of the Parties, enforceable in accordance with its terms.

(l) Limit on Liability. Notwithstanding any clause or provision of this Agreement to the contrary, in no event shall the City or the Company be liable to each other for punitive, special, consequential, or indirect damages of any type and regardless of whether such damages are claimed under contract, tort (including negligence and strict liability) or any other theory of law.

(m) Notices. Except as otherwise specifically set forth in this Agreement, all notices, demands, requests, consents or approvals given, required or permitted to be given hereunder shall be in writing and shall be deemed sufficiently given if actually received or if hand-delivered or sent by recognized, overnight delivery service or by certified mail, postage prepaid and return receipt requested, addressed to the other Party at the address set forth in this Agreement or any addendum to or counterpart of this Agreement, and shall be deemed received upon actual receipt, unless sent by certified mail, in which event such notice shall be deemed to have been received when the return receipt is signed or refused. For purposes of this Agreement, notices shall be addressed to:

- (i) the City at: City of Dublin, Ohio
5800 Shier Rings Road
Dublin, Ohio 43016-7295
Attention: Economic Development Director

- (ii) the Company at: OhioHealth Corporation

_____, Ohio 43____
Attention: _____

The Parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices; certificates, requests or other communications shall be sent.

(n) No Waiver. No right or remedy herein conferred upon or reserved to any Party is intended to be exclusive of any other right or remedy, and each and every right or remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter legally existing upon the occurrence of any event of default hereunder. The failure of any Party to insist at any time upon the strict observance or performance of any of the provisions of this Agreement or to exercise any right or remedy as provided in this Agreement shall not impair any such right or remedy or be construed as a waiver or relinquishment thereof. Every right and remedy given by this Agreement to the Parties hereto may be exercised from time to time and as often as may be deemed expedient by the parties hereto, as the case may be.

(o) Recitals. The Parties acknowledge and agree that the facts and circumstances as described in the Recitals hereto are an integral part of this Agreement and as such are incorporated herein by reference.

(p) Reporting Requirements. The Company acknowledges that it is hereby advised by the City that certain accounting reporting requirements may obligate the City to treat and report payments remitted hereunder to the Company as a tax abatement. Notwithstanding any such reporting requirements, the Company acknowledges and agrees that the Company is not entitled hereunder to an abatement or exemption of any tax obligation that would otherwise be payable pursuant to the Dublin City Code.

(q) Severability. If any provision of this Agreement, or any covenant, obligation or agreement contained herein is determined by a court to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

(r) Survival of Representations and Warranties. All representations and warranties of the Parties in this Agreement shall survive the execution and delivery of this Agreement.

(s) Term of Agreement. This Agreement shall become effective as of the Effective Date and shall continue until the earlier of (i) 5:01 p.m. (ET) on Wednesday, January 2, 2019 provided that as of that time the Company shall have theretofore failed to satisfy the requirements of subsection 1(c)(i), (ii) January 1, 2020 provided that as of that time the Company shall have theretofore failed to satisfy the requirements of subsection 1(c)(ii) or (iii) the day on which the final Annual Incentive Payment or Bonus Annual Incentive Payment (as the case may be) which the City is obligated to pay hereunder is received by the Company.

(t) Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the City and the Company have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first written above.

CITY OF DUBLIN, OHIO

By: _____

Printed: Dana L. McDaniel

Title: City Manager

Approved as to Form:

By: _____

Printed: Jennifer D. Readler

Title: Director of Law

OHIOHEALTH CORPORATION

By: _____

Printed: _____

Title: _____

FISCAL OFFICER’S CERTIFICATE

The undersigned, Director of Finance of the City under the foregoing Agreement, certifies hereby that the moneys required to meet the obligations of the City under the foregoing Agreement during Fiscal Year 2018 have been appropriated lawfully for that purpose, and are in the Treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Dated: _____, 2018

Angel L. Mumma
Director of Finance
City of Dublin, Ohio